

## Message Text

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E.O. 11652: N/A

TAGS: EINV, PINT, CA

SUBJECT:TORONTO STAR EDITORIAL ON HURTIG REMARKS REGARDING AMBASSADOR  
ENDERS

1. IN AN EDITORIAL HEADLINED "THE NATIONALIST VERSUS THE  
AMBASSADOR" THE SEPTEMBER 30 TORONTO STAR COMMENTED AS FOLLOWS  
ON THE STATEMENTS OF CANADAIN NATIONALIST PUBLISHER MEL HURTIG  
REGARDING AMBASSADOR ENDERS:

QUOTE EDMONTON PUBLISHER MEL HURTIG IS ONE OF THE MOST PASSIONATE  
OF CANADIAN ECONOMIC NATIONALISTS, AND SOMETIMES HIS PASSION  
GETS THE BETTER OF HIM.

IT HAPPENED THIS WEEK INOTTAWA WHEN HURTIG TOLD MEMBERS OF  
THE COMMITTEE FOR AN INDEPENDENT CANADA THAT U.. AMBASSADOR  
THOMAS ENDERS IS A "DOWNRIGHT LIAR" FOR TRYING TO CONVINCE  
CANADIANS THAT AMERICAN INVESTMENT IN CANADA IS DECLINING.

HURTIG READS INTO THE AMBASSADOR'S SPEECHES A CAREFULLY CON-  
CEIVED PLOT TO GET CANADIANS TO LET DOWN THEIR GUARD ON FOREIGN  
INVESTMENT, TO RELAX THE RULES THAT REQUIRE NEW FOREIGN  
INVESTMENT TO BRING SIGNIFICANT ECONOMIC BENEFIT TO CANADA.

OF COURSE, ONLY ENDERS AND HIS STATE DEPARTMENT BOSSES KNOW  
WHETHER THE SPEECHES REPRESENT A DELIBERATE SCHEME TO WEAKEN  
CANADIAN DEFENCES AGAINST FOREIGN INVESTMENT.

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BUT THE REST OF US MUST JUDGE THE MAN BY HIS WORDS.

THE AMBASSADOR HAS REFERRED TO DECLINING U.S. INVESTMENT IN

CANADA SEVERAL TIMES, ALWAYS SPECIFYING THAT HE WAS TALKING ABOUT NEW DIRECT INVESTMENT - IN OTHER WORDS, NEW U.S. - OWNED COMPANIES BEING ESTABLISHED HERE, OR EXISTING ONES BEING EXPANDED BY CAPITAL INFUSIONS FROM THE PARENT FIRMS.

AND THE FACT IS THAT THOSE KINDS OF U.S. INVESTMENTS HERE HAVE BEEN DECLINING. IN 1974, THEY REPRESENTED DOLS 615 MILLION, AND LAST YEAR DOLS 535 MILLION. IN THE FIRST SIX MONTHS OF THIS YEAR, U.S. INVESTORS TOOK OUT DOLS 43 MILLION MORE THAN THEY PUT IN.

ENDERS MENTIONED THIS TREND IN A SPEECH IN TORONTO LAST APRIL, AND ADDED: "I LEAVE TO YOU WHETHER THIS DRYING UP OF DIRECT INVESTMENT FROM THE STATES IS GOOD OR BAD. IT IS COSTING YOU SOME ENTREPRENEURSHIP, ADVANCED TECHNOLOGY AND CAPITAL YOU WOULD OTHERWISE RECEIVE. ON THE OTHER HAND, IT RESPONDS TO THE DESIRE OF THOSE WHO WOULD WISH TO SEE THE ROLE OF U.S. ENTERPRISE IN THE CANADIAN ECONOMY DIMINISH."

HURTIG IS RIGHT IN CONTENDING THAT, DIRECT INVESTMENT ASIDE, THE VALUE OF FOREIGN OWNERSHIP IN CANADA GROWS THROUGH REINVESTMENT OF PROFITS BY FOREIGN FIRMS ALREADY LOCATED HERE. BUT ENDERS HAS NOT DENIED THIS.

AMBASSADOR ENDERS MIGHT BE ACCUSED OF BEING A BIT HEAVY-HANDED AT TIMES. IN A WINNIPEG SPEECH IN MAY, FOR EXAMPLE, HE SAID CANADIANS "CANNOT MEET THEIR SOCIAL NEEDS WITHOUT IMPORTING IT (CAPITAL) OF A MASSIVE SCALE." A PREDICTION WITH WHICH MANY CANADIANS WOULD JUSTIFIABLY QUARREL. CANADA CAN GENERATE ENOUGH SAVINGS TO SUPPLY ITS OWN CAPITAL NEEDS.

ON ANOTHER OCCASION HE SAID CANADA'S FOREIGN INVESTMENT LAWS ARE "MORE FAR-REACHING" THAN THOSE THAT EXIST IN OTHER COUNTRIES. HE NEED ONLY LOOK TO MEXICO ON THE U.S. SOUTHERN BORDER TO FIND STIFFER RULES FOR FOREIGN INVESTORS.

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THE STAR STRONGLY BELIEVES THAT FOREIGN OWNERSHIP MUST BE RESTRICTED, AND CANADIAN OWNERSHIP EXPANDED, TO ASSURE CANADIAN CONTROL OF OUR COUNTRY'S ECONOMIC AND POLITICAL FUTURE. AMBASSADOR ENDERS SPEECHES TEND TO ARGUE THE CONTRARY, BUT THAT ISN'T SUFFICIENT GROUNDS FOR CALLING HIM A LIAR. UNQUOTE.

2. COMMENT: GENERAL REACTION FROM GOVERNMENT BUSINESS EXECUTIVES AT RESIDENCE LUNCHEON AND EVENING PROVINCIAL RECEPTION FOR

ISRAELI FOREIGN MINISTER YESTERDAY (SEPTEMBER 29) WAS  
SUGGESTION THAT HURTING COMMENTS SHOULD BE IGNORED.  
DIGGINS

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